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STATE FOR ISN/CB, VCI/CCB, L/ACV, IO/S
SECDEF FOR OSD/ISP
JOINT STAFF FOR DD PMA-A FOR WTC
COMMERCE FOR BIS (GOLDMAN)
NSC FOR LEDDY
WINPAC FOR WALTER

E.O. 12958: N/A

TAGS: PARM PREL CWC

SUBJECT: CHEMICAL WEAPONS CONVENTION (CWC): WRAP-UP FOR THE
WEEK ENDING JUNE 15

This is CWC-57-07.

SECOND REV CON: MEETING OF SP AND CHEMICAL INDUSTRY REPS

¶1. (U) On June 11, Amb. Lyn Parker (UK) chaired a meeting of States Parties and chemical industry representatives for the preparation of the Second RevCon. In his opening remarks, the Director General made mention of: UNSC 1540, the chlorine gas attacks in Iraq, the importance of establishing national implementation measures (Article VII), the key role industry plays in partnerships with the TS and governments, increasing numbers of industry inspections (1998-2002: 502 inspections, 2003-2007: 807 inspections), increasing number of inspectable sites (particularly OCPFs: 54 percent increase since 1998), TS initiative to change the current OCPF site selection

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methodology, the ongoing "start-up" period for sampling and analysis activities during subsequent Schedule 2 inspections, the value of the VIS, and the necessary balance between intrusiveness and the object and purpose of the CWC during inspections.

¶2. (U) The Technical Secretariat made a series of presentations:

(1) Per Runn discussed industry issues open and resolved since the First RevCon;
(2) Sandor Laza discussed experiences from industry declarations;
(3) Bill Kane presented an overview of implementation requirements under VA Parts Vi, VII, VIII, and IX.
(4) In addition, Jiri Matousek, chairman of the Scientific Advisory Board, discussed the activities of the SAB since the First RevCon. (These briefings were faxed back to Washington.)

¶3. (U) During the afternoon's open forum, industry reps made several formal presentations:

-- Neil Harvey, WMD Issue Leader for CEFIC (European chemical industry trade organization), discussed trade and production controls within the EU;
-- Pietro Fontana, CAS Issue Leader for CEFIC, presented a

rather disjointed collection of issues - limitations of the use of CAS numbers, whether too frequent Schedule 2 inspections make for an unnecessary overlap to records review (given the "3-year look back"), and why the TS reporting on converted and destroyed CWPFs does not appear to add up in his opinion; and

-- Dr. Tony Baslock of Contract Chemicals Ltd (also representing Chemical Industry Association (UK)) presented a number of items coming from their NA Advisory Committee and his company's inspection experience.

-- The International Council of Chemical Associations (ICCA) tabled a paper in which they discuss the role of industry in the CWC, ICCA support for the CWC, and a number of key ICCA positions.

-- The UK delegation tabled a paper entitled "Technological and Structural Developments in the Chemical Industry and Their Implications for the CWC." (All of these documents were faxed back to Washington.)

¶4. (U) A few interventions stood out:

-- The Indian Chemical Council repeated a topic often discussed by their National Authority, that of the "inherent hierarchy of risk" and the Schedules of chemicals. (See their paper on the OPCW external server.) She also discussed the importance of Article XI and the promotion of free and responsible trade, including a possible organization to help resolve disputes between SPs. The Indian NA went on to call on the TS to prepare a paper on "lessons learned" from verification to date to have a better understanding upon which to discuss frequency of inspection and related issues.

-- CEFIC made at least two comments about the varying mixture threshold levels (from 0 to 80 percent) within national implementing measures, which the Del read as a clear poke at the existing U.S. threshold for Schedule 3. He also expressed concern about how the DG's new OCPF initiative would focus more on the largest industries. In response to

the UK NA paper and the briefing by Tony Bastock, he also emphasized that the capability of a reaction system is not the issue, but rather its outcome.

-- The representative from the Chinese NA pointed to the successful verification activities to date and asked what the focus should be now, pointing to a continuing emphasis on Scheduled chemicals rather than OCPFs. She also questioned what role the EC should have in light of the DG's recent initiative on OCPF site selection. She also asked about the number of uncertainties, etc. that have come from the various inspection types (Schedule 1, etc.). She also discussed briefly their experiences over their inspections at 89 sites to date. She also pointed out a case where a change in the organization of a Schedule 2 company resulted in inspections during two subsequent years.

-- The representative from the Korean Specialty Chemical industry Association said they had hosted 25 inspections to date. Given that their experience shows that records review takes about half of the time and effort within an inspection, he questioned whether pre-work by both the NA and the TS might speed up the process and conserve TS funds.

¶5. (U) Del rep discussions with Ted Cromwell (American Chemistry Council) indicated that he was pleased with the event and the opportunity to interact with the Del, the TS, and industry colleagues. He was particularly pleased that discussions on the margins with Krzysztof Paturej (Director of the Office of Special Projects) resulted in ACC taking the lead for the organizing of the industry security forum and ICCA taking the lead for the industry verification forum within the Industry and Protection Forum in conjunction with the 10th Anniversary, to be held in November.

VIR CONSULTATIONS

¶6. (U) The June 12 consultation on the 2006 VIR was relatively sedate. The Del deployed the general aspects of guidance (pleased with the increasing quality of the VIR, etc.) and said that detailed comments would follow. Most

other delegations followed this same pattern. A few delegations - Russia, Japan, and, particularly Germany - made more specific comments throughout the review. Germany insisted that the chair (EC Chair, Amb Arguelles of the Philippines) prepare a summary of the meeting.

¶17. (U) The UK and Germany made brief interventions about their two industry inspections that resulted in uncertainties. India also pointed to their national paper from EC-48 during the discussion on their destruction program.

¶18. (U) Iran made two interventions: (1) Given that the deadline has passed, would the TS give an update on the destruction of CWPFs? The TS committed to discussing this during the upcoming destruction informals, as well as in a paper for EC-50. (2) Requested an update on the cases of transfer of Schedule 2 chemicals to a non-State Party. The UK gave the details of their recommendation to their customs organization for prosecution. The TS said that no further obligation was required of the SPs. Iran insisted that the UK handle this more seriously and keep the EC informed of progress on these cases, as they were legally "breaches of the CWC."

¶19. (U) The TS reported that their intention is to produce a VIR corrigendum for EC-49, and asked that SPs finalize their comments accordingly. If needed, further corrigenda would be produced after that time.

INDUSTRY CLUSTER: LATE DECLARATIONS

¶10. (U) During the previous consultation in April, Iran and South Africa, supported by others, requested a paper from the TS outlining the history of this issue and how they felt the

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current facilitator's draft decision text would help resolve those issues. Despite their insistence that this could be done easily and quickly, the TS did not release this paper until June 12 consultation opened. Even though the revised draft decision was prepared back in April, given that the TS paper was released so late, the comments by delegations was limited to saying that they needed more time for their capitals to review the documents.

¶11. (U) Given the unsatisfactory outcome of the consultation, the facilitator (Larry Denyer, U.S.) is working to schedule an additional meeting to discuss delegations' comments during the week of July 9. This seems the only option to needed progress, given that there is only one other formal Industry Cluster week in early September before EC-50, the last EC before the CSP.

¶12. (U) South Africa consulted privately with the facilitator after the meeting. Even though their industry is small, they declare on time and regularly host inspections. But they clearly see their role as protecting the smaller NAs within Africa, and they will have great difficulty in accepting the concept of "nil declarations." Given that Iran, India, and New Zealand seem to have similar concerns, there is significant doubt now that this decision can move forward. The current text already includes several concessions that many delegations of industrialized SPs would rather not have but are willing to allow for the sake of progress. Further concessions would probably kill the decision.

¶13. (U) The facilitator will look at a number of options, both short and long-term, to use in the September meetings, if the July meetings show no progress.

INDUSTRY CLUSTER: TRANSFER DISCREPANCIES

¶14. (U) This consultation marked no significant progress on

this issue. Although many delegations spoke in favor of the current draft decision language (both with and without the bracketed text), many other delegations said they require more time to get a reaction from their capitals.

¶15. (U) Japan was actually the most vocal in questioning much of the current decision text. Their biggest concern seemed to be any additional burden on Schedules 2 and 3 companies. They also pointed out the difficulties that arise between the Customs Union and the rest of the world, indicating that perhaps two options for a solution should be considered simultaneously, an idea that drew much concern.

¶16. (U) As they did at the late declarations consultation in April, Iran asked the TS to prepare some background material to lay out exactly what the current draft decision would do. (Note: This delegation seems unwilling to do its own homework but rely entirely on the TS to do this.)

¶17. (U) Although the co-facilitators first considered the possibility of an additional meeting in July to help make progress before EC-50, they later reconsidered and will wait until the regularly scheduled meeting, which will probably be in early September.

INDUSTRY CLUSTER: OCPF SITE SELECTION

¶18. (U) As was reported previously, the facilitator followed through with his threat and canceled his June 13 consultation. He also resigned as facilitator for this consultation.

ARTICLE VI: SEQUENTIALS INSPECTIONS AND S&A

¶19. (SBU) Del rep learned from Bill Kane (Head of Industry Verification Branch) that planning for a pair of sequential inspections within the U.S. was "on their radar," certainly in 2007. In discussions with the Swiss NA rep, del rep learned that the Swiss have now hosted sequential inspections pairing Schedule 3 and UDOC sites, as well as two Schedule 2 sites. In these cases, both inspections were completed within a week. The Swiss also reported that they have hosted "two" inspections to date this year, one being a pair of sequential inspections.

¶20. (U) Del has learned that the TS has now carried out six total Schedule 2 inspections incorporating sampling and analysis: Switzerland, the UK, China, India, Italy, and the Netherlands (earlier this month). In the June 12 WEOG meeting, the Dutch reported on their recent experience. Their analysis was performed in "open" mode, which they felt was to their advantage, as they felt certain that an analysis in "blinded" mode would have resulted in a "false positive." As no further details were given, Del will discuss this further with the Dutch delegation.

UN-OPCW HIGH-LEVEL MEETING

¶21. (U) At a June 15 meeting, most delegations expressed support for the Polish-Dutch initiative for the Sep. 27 UN-OPCW meeting in New York. Tadeusz Chomicki, Deputy Director in the Department for Security Policy in the Polish MFA, and Henk-Cor van der Kwast, head of the nonproliferation desk of the Dutch MFA, provided the briefing to delegations about the high level meeting.

¶22. (U) Chomicki noted that the OPCW will be sending letters to NGOs and notes verbale to UN member states to drum up support for the event. The Dutch and Polish Foreign Ministers will definitely attend, and they hoped other delegations would press for Ministerial attendance. They will brief

delegations in early September on the state of preparations. DG Pfirter and the Regional Coordinators will be invited to speak.

¶123. (U) France started the Q&A session by expressing support for the proposal and asking about the agenda. Chomicki replied that this is still being considered. He noted that the date was selected because there are no other events scheduled at the UN. He emphasized that it will be a public event with the press in attendance, and that there would be a press conference after the meeting. France suggested inviting the Chair of the 1540 Committee, and Chomicki thought that was a good suggestion. India asked about the intent behind the meeting and asked specifically about the reference in written material to "renewed commitment to multilateralism." Chomicki replied that, frankly speaking, there had not been many successes in recent years in the disarmament field. This meeting is an effort to strengthen efforts in this area.

¶124. (U) Iran then made its move, first asking if this was a Dutch-Polish proposal to have a meeting or an announcement to delegations that this is going to happen. Chomicki replied that this is a proposal from the two countries and they were not seeking OPCW approval. However, to make it a success, they certainly needed support from other SPS. Iran then said that if this is being done in the name of the OPCW, the Netherlands and Poland alone should not speak for all delegations. There had been no discussion on this step, and Iran knew of no basis for this meeting to be arranged.

¶125. (U) While stating that this does not mean Iran necessarily opposes the idea, it did want to make sure it was procedurally correct. Iran added, however, that it did not approve of having delegations face a "pre-cooked resolution text" to be approved on Sep. 27. Chomicki replied that the DG had raised this idea at CSP-11 and there had also been mention of it in a TS note. The Dutch and Poles had simply picked up on the invitation to make this happen. Chomicki emphasized that this is a 10th anniversary event and, in that respect, is not strictly an OPCW event.

¶126. (U) Australia came in and said that UN delegations arrange meetings like this all the time in New York and that Poland and the Netherlands were perfectly within their right to set up this event. Del rep came in to say that the U.S. supported the meeting, appreciated the Poles and the Dutch taking the initiative, and totally agreed with Australia on the procedural issue. Pakistan, Spain and Switzerland expressed support for the meeting.

¶127. (U) Iran came back again, saying there had never been any mention of a UN-OPCW high level meeting. They added that there is a difference between a seminar scheduled by delegates at the UN and an OPCW-UN high-level meeting. Use of that title carries certain connotations, and is important. South Africa came in to support the Iranian point on the title of the meeting, stating that it carries a certain formality. The South African FM could not sign on to a document from such a meeting without ensuring that it fully supported all of the text. A high-level event carries particular weight, and it would be important to check on the procedural requirements. Chomicki replied that the drafters of the proposed resolution had worked to stay within the parameters of the annual document which came out of the First Committee.

¶128. (U) Germany expressed support for the meeting, and expressed concern that a positive substantive step was being challenged on procedural grounds. Perhaps a modification of the title of the event and to the resulting document would assuage Iranian concerns. Austria expressed support for the German proposal. Cuba intervened three times to basically say that it will need to go to Havana to seek guidance and will also stay in touch with NAM delegations in New York.

¶129. (U) At the end of the session, Chomicki and van der Kwast made the effort to talk to Iran, which was working to stir up support from other NAM delegations. However, the general

feeling among WEOG delegations and TS staff seemed to be that while Iran would continue to raise questions and make things difficult, they could be mollified with the types of small face-saving measures proposed by Germany, and the Dutch-Polish meeting certainly would take place.

¶30. (U) Javits sends.
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